

UNITED STATES COURTS
SOUTHERN DISTRICT OF TEXAS
ENTERED

APR 09 2001

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

MICHAEL M. MULRY, CLERK OF COURT

IN RE:

TRI-UNION DEVELOPMENT
CORPORATION
Tax I.D. No. 76-0381207

DEBTOR.

§
§
§
§
§
§
§

CASE NO. 00-32498-H4-11
(CHAPTER 11)

**ORDER APPROVING THE RETENTION OF BDO
SEIDMAN, L.L.P. AS AUDITORS AND TAX ACCOUNTANTS**

Came on for hearing on March 26, 2001, after due notice, the Debtor's Application for an Order Authorizing the Retention of BDO Seidman, L.L.P. as Auditors and Tax Consultants (the "Application") filed by Tri-Union Development Corporation ("Tri-Union" or the "Debtor"), seeking authority to retain BDO Seidman, L.L.P. ("BDO") pursuant to Bankruptcy Code §§ 327 and 328(a); and the Court having considered the Application, the Joint Objection filed by Credit Lyonnais New York Branch and the Creditors' Committee, the testimony of the witnesses, the arguments by counsel for the parties in interest appearing at the hearing, and, pursuant to the Court's request, the representation by the Debtor and Tribo Petroleum Corporation that (1) the Debtor is seeking to execute contracts with certain purchasers who have demonstrated the ability to fund the purchase price for the sale of certain properties through the Randall & Dewey marketing process on favorable terms that, if closed, would facilitate funding of a plan of reorganization, but that the Debtor does not intend to and will not allow the negotiations for such sales to continue for an excessive

787

period of time such that it would interfere with the timing of the transaction for which Jefferies & Company, Inc. is being retained to facilitate (the "Jefferies Transaction") (which representation the Court neither approves nor disapproves); and such Transaction, either with or without a sale(s) described in (1) above, is and will continue to be the primary source of funding for an amended plan of reorganization to be proposed by the Debtor to the exclusion of all other sources of exit financing until it becomes evident that the Jefferies Transaction cannot be successfully consummated; and based upon the foregoing, it is therefore,

ORDERED that Tri-Union is hereby authorized to retain BDO as auditors and tax consultants, to perform the services described in the Application solely in connection with and to facilitate the Jefferies Transaction, provided, however, that BDO shall provide no professional services which duplicate services provided by Arthur Andersen & Co.; and it is further

ORDERED that BDO will be compensated pursuant to 11 U.S.C. §§ 330 and 328(a) for out-of-pocket expenses as actually incurred and professional fees based upon the hourly rates set forth in the Application.

SIGNED this 4th day of April, 2001.

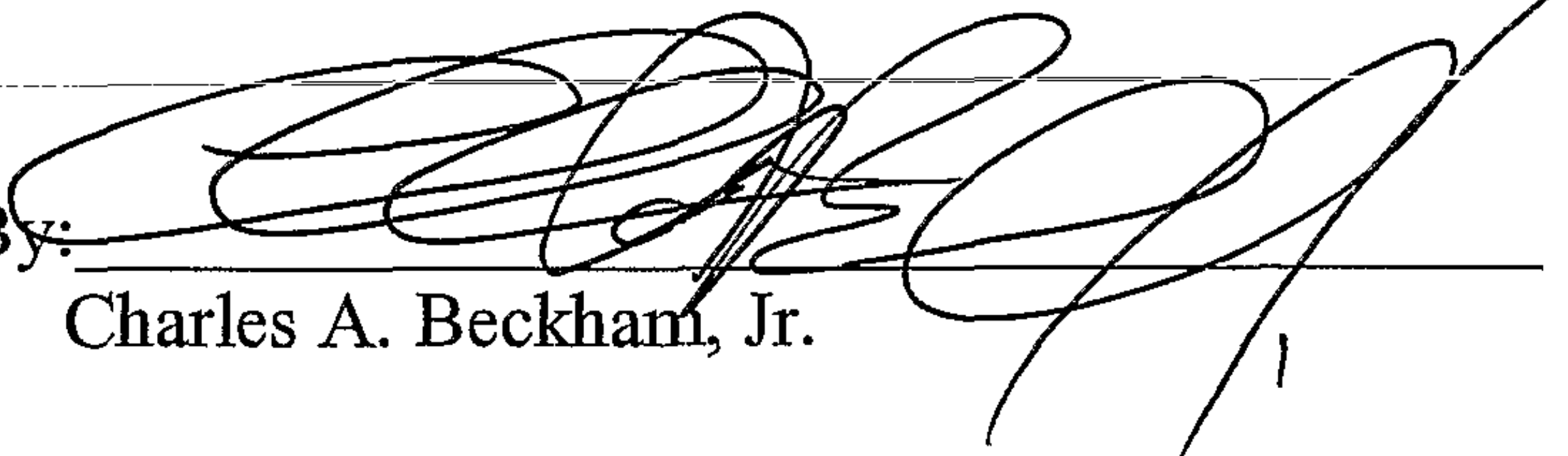

UNITED STATES BANKRUPTCY JUDGE

APPROVED AS TO FORM:

TRI-UNION DEVELOPMENT CORPORATION

By: 
Joel P. Kay

CREDIT LYONNAIS NEW YORK BRANCH

By: 
Charles A. Beckham, Jr.

CREDITORS' COMMITTEE

By: 
Phil Snow

TRIBO PETROLEUM CORPORATION

By: 
Rhett Campbell